VZCZCXRO7511 PP RUEHDBU DE RUEHAH #0464/01 1271248 ZNY CCCCC ZZH P 071248Z MAY 07 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC PRIORITY 8712 INFO RUCNCIS/CIS COLLECTIVE RUEHLM/AMEMBASSY COLOMBO 0283 RUEHKA/AMEMBASSY DHAKA 0305 RUEHIL/AMEMBASSY ISLAMABAD 1988 RUEHBUL/AMEMBASSY KABUL 0731 RUEHKT/AMEMBASSY KATHMANDU 0148 RUEHNE/AMEMBASSY NEW DELHI 0785 RUEHCG/AMCONSUL CHENNAI 0059 RUEHKP/AMCONSUL KARACHI 0108 RUEHCI/AMCONSUL KOLKATA 0030 RUEHLH/AMCONSUL LAHORE 0044 RUEHBI/AMCONSUL MUMBAI 0069 RUEHPW/AMCONSUL PESHAWAR 0382 RHMFISS/CDR USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2// RUEKJCS/JOINT STAFF WASHINGTON DC//J5/RUE// RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 000464

SIPDIS

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DEPT FOR SCA/CEN (PERRY)

E.O. 12958: DECL: 04/12/2017 TAGS: <u>EPET ENRG PREL RS TX</u>

SUBJECT: PUTIN, NAZARBAYEV AND BERDIMUHAMMEDOV TO MEET IN

TURKMENBASHY PORT ON MAY 11

REF: ASHGABAT 430

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Classified By: Charge d'Affaires, a.i. Jennifer L. Brush for reasons 1. 4 (B) and (D).

SUMMARY

11. (C) Local press this morning confirmed the weekend rumor that Russian President Putin and Kazakhstan President Nazarbayev would join Turkmenistan President Berdimuhammedov May 11 at a one-day summit in Turkmenistan's Caspian port of Turkmenbashy (formerly Krasnovodsk). Discussions are certain to focus on energy cooperation, probably including negotiations over an expansion of the Caspian littoral pipeline and amounts of gas supplied to Russia. Some local diplomatic observers believe (hope) that Nazarbayev could have a moderating effect on the discussions, and would be able to successfully convince Berdimuhammedov not to sign any definitive agreements with Putin...yet. End Summary.

LOCAL PRESS CONFIRMS RUMORED SUMMIT

- 12. (C) Turkmenistan's newspapers today confirmed weekend rumors that Turkmenistan President Berdimuhammedov would meet his Russian and Kazakhstani counterparts this week in the Caspian port of Turkmenbashy. At a May 7 Victory Day reception, Russian Ambassador Blatov told Charge that Russian President Putin planned to arrive in Ashgabat on May 10, fly to Turkmenbashy on May 11, and depart on May 12. Kazakhstani Ambassador Atonov told Charge Nazarbayev would fly directly to Turkmenbashy on May 11 for a tripartite meeting with Putin and Berdimuhammedov, and leave the same day.
- ¶3. (U) During Berdimuhammedov's late April visit to Moscow,

Putin agreed to make a reciprocal visit to Ashgabat; Kazakhstani President Nazarbayev accepted the invitation to visit Turkmenistan following Berdimuhammedov's May 3 meeting with Kazakhstani Prime Minister Masimov in Ashgabat. Over the weekend, squads of government workers were deployed around Ashgabat repaving roads, repainting gutters and planting new trees.

THE GOVERNMENT HEADS TO TURKMENBASHY...

¶4. (SBU) Pol/Econ Assistant, who traveled on May 5 to Turkmenbashy, reported an unusual concentration of high-level government officials en route to the Caspian coast, presumably in preparation for Friday's summit. Early on May 5, Pol/Econ Assistant was bumped from his front-of-the-plane seat to the back to make way for Deputy Chairman for International Relations Rashit Meredov and other ranking officials on the Turkmenistan Airways flight to Turkmenbashy. Meredov was accompanied by Deputy Chairman for Education, Culture, Health, Science and Media Saparlyev and members of the protocol department for the Presidential Apparat.

...ALONG WITH THE CELLISTS

15. (SBU) German Ambassador Mondorf told Charge on May 4 that Turkmenistan had significantly changed the repertoire for the EU's upcoming 50th anniversary concert in Ashgabat. No cellos were available for the concert, government officials said, because all the cellos had gone to Turkmenbashy.

NO ROOM AT THE INN -- EXCEPT FOR RUSSIAN DIPLOMATS

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16. (SBU) Pol/Econ Assistant had reservations at the Serdar Hotel in Turkmenbashy, the most comfortable Caspian coast hotel; on arrival, however, the hotel staff turned him away, and said there was "only room for Russians," specifically, Russian diplomats sent to prepare for Putin's arrival. The hotel had been redecorated, with a large portrait of Berdimuhammedov hanging in place of the portrait of Niyazov. (Comment: This is a significant change; most government buildings and hotels in Ashgabat are still flanked with Niyazov portraits. Local observers this week also noticed additional banners along Ashgabat streets containing inspiring quotations from Berdimuhammedov. End Comment.)

A CPC FOR GAS?

- \P 7. (SBU) The tripartite summit is sure to center on questions of Caspian energy and gas transport routes, which were the subject of recent bilateral meetings between Putin and Berdimuhammedov in Moscow and Berdimuhammedov and Masimov in Ashgabat. Press reports following Berdimuhammedov's visit to Moscow focused on discussions between the presidents of expanding the Caspian littoral pipeline, a project enthusiastically endorsed by former President Niyazov which skirts the northern shore of the Caspian via Russian territory. Putin noted during the meetings that the pipeline currently carried 5 million cubic meters of gas daily -- an annual export of just 1.8 billion cubic meters. Masimov's May 3 meetings with Berdimuhammedov focused on economic cooperation, including a trans-Caspian railway connecting Turkmenistan and Kazakhstan, and resumption of the Ashgabat-Almaty air route (Note: This route existed until 2004, when it was closed. End Note.), and construction of a new international gas pipeline from Turkmenistan through Kazakhstan to Russia that would be laid along the Caspian coast.
- 18. (C) In a May 4 meeting with Charge, Chevron Corporation Vice President Guy Hollingsworth said that, if Putin and

Nazarbayev were coming to Turkmenistan to meet with Berdimuhammedov, the three sides probably would negotiate the creation of a CPC for natural gas.

KAZAKHSTAN: A MODERATING INFLUENCE

- 19. (C) The Georgian, Turkish, and Polish Ambassadors in Ashgabat told Charge that they believed Nazarbayev's presence at the summit would be a positive influence, and that he probably would be able to talk Berdimuhammedov out of making any definitive commitments to Putin.
- 110. (C) In a May 4 meeting with Charge, visiting Chevron executives said that it was no coincidence that Kazakhstan's Prime Minister Masimov met with Berdimuhammedov prior to his reception of the Chevron delegation -- Masimov, they said, was probably "coaching" Berdimuhammedov on how to handle discussions on energy. Hollingsworth said that Nazarbayev was a "master" at balancing competing foreign interests.

NAZARBAYEV TRAVELING ON TO WARSAW?

11. (C) The Georgian Ambassador said that Putin was flying to Kazakhstan on May 9 prior to his arrival in Ashgabat, and would meet with Nazarbayev to try to talk him out of attending a European Energy Security Meeting, scheduled to take place on May 14 in Warsaw.

COMMENT

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112. (C) The fanfare surrounding Putin's impending arrival in Ashgabat and the upcoming summit has been large and warranted. Putin's last visit to Turkmenistan was in 2002, and his warm reception of Berdimuhammedov in Moscow assured that Turkmenistan's president would pull out all the stops to impress his guest. Berdimuhammedov -- busy with visiting delegations, all interested in a share of Turkmenistan's energy wealth -- has been thrown into the deep end on energy negotiations, and the upcoming summit represents a new level of discussion for an inexperienced leader. Russia and Kazakhstan's motivation for an expanded littoral pipeline likely is prompted by the desire to reduce dependence on transiting Uzbekistan. Chevron's delegation last week, along with BP's planned May 14-17 seven-person delegation, have raised the stakes for Berdimuhammedov, and all sides are watching to see which way the new president will look for energy development. End Comment. BRUSH